

## Message Text

UNCLASSIFIED

PAGE 01 LONDON 12513 252040Z

62

ACTION EB-11

INFO OCT-01 EUR-25 EA-11 ISO-00 FEA-02 AEC-11 AID-20

CEA-02 CIAE-00 CIEP-03 DODE-00 FPC-01 H-03 INR-11

INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SP-03 SS-20 STR-08 TRSE-00 FRB-03 DOTE-00

FMC-04 CG-00 COA-02 DLOS-07 SWF-02 PA-04 USIA-15

PRS-01 DRC-01 /205 W

----- 015597

R 251921Z SEP 74

FM AMEMBASSY LONDON

TO MARAD WASHDC

INFO SECSTATE WASHDC 4226

AMEMBASSY KUALA LUMPUR

AMEMBASSY TOKYO

UNCLAS LONDON 12513

FOR: T. PROSS, DIVISION OF FOREIGN COSTS

E.O. 11652: N/A

TAGS: ENRG, EWWT, BEXP, MY, JA

SUBJ: SARAWAK/JAPAN LNG PROJECT

REF: WA-74-0754

1. AS REQUESTED REFTTEL ATTEMPTED TO DETERMINE PARTICULARS OF PROJECT TO WHICH THE FIVE SHIPS REPORTED TO HAVE BEEN ORDERED IN FRENCH YARDS WERE TO HAVE BEEN ASSIGNED. SHELL SOURCE TELLS ME THAT FOR A NUMBER OF YEARS SHELL AND MITSUBISHI WERE INTERESTED IN THE MOVEMENT OF LNG FROM MIRI, IN SARAWK, TO JAPAN. MORE RECENTLY THIS PROJECT HAS HAD A THIRD PARTNER IN THE NEGOTIATIONS, NAMELY THE MALAYSIAN GOVERNMENT. AT THIS MOMENT THE NEGOTIATIONS HAVE NOT BEEN COMPLETED. IMPORT-  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LONDON 12513 252040Z

ANT MATTERS SUCH AS SHARE OF EACH PARTICIPANT AND PRICE

HAVE TO BE NEGOTIATED.

2. IN 1973 IT WAS CONSIDERED THAT FIVE LNG TANKERS OF 125,000 CUBIC METER CAPACITY WOULD BE NECESSARY TO HANDLE AN ANNUAL EXPORT OF 5-6M TONS. THE DISTANCE FROM MIRI TO JAPAN IS 2,380 MILES.

3. SHELL IS NOT APPARENTLY INVOLVED IN THE PURCHASE OF SHIPS FOR THIS PROJECT FROM FRENCH YARDS AND CANNOT PROVIDE ANY INFORMATION AS TO PRICE AND DELIVERY DATES. THE SHIPS ARE APPARENTLY BEING ORDERED BY MALAYSIAN INTERNATIONAL SHIPPING CORP (MIS), KUALA LUMPER. THE MALAYSIAN GOVERNMENT IS A MAJORITY OWNER OF MIS. SINCE THE NEGOTIATIONS FOR THIS PROJECT HAVE NOT BEEN COMPLETED SHELL CANNOT SAY IF THE SHIPS REPORTED TO HAVE BEEN ORDERED WILL BE USED FOR THIS PROJECT. SHELL SUGGESTS MARAD REQUESTS AMERICAN EMBASSY KUALA LUMPER TO MAKE ENQUIRIES OF THE MALAYSIAN GOVERNMENT AS TO BASE PRICE OF VESSEL, ESCALATION CLAUSES, ESTIMATED FINAL PRICE, DELIVERY DATES, AND OTHER CONTRACT DETAILS.

4. ENERGY DEPARTMENT OF H. CLARKSON'S ADVISES THAT ALTHOUGH NO RECENT LNG CONTRACTS ARE KNOWN, IT IS THEIR

BELIEF THAT A 1978 DELIVERY OF A 125,000 CUBIC METER SHIP WOULD BE IN THE RANGE OF \$115 - 120M. RYAN.  
ANNENBERG

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM PRODUCTS, CONTRACTS, NEGOTIATIONS, PETROLEUM TRANSPORTATION, CARGO SHIPS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 25 SEP 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974LONDON12513  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740270-0816  
**From:** LONDON  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740916/aaaaamyi.tel  
**Line Count:** 88  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** WA-74-0754  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** martinjw  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 25 JUN 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <25 JUN 2002 by maustmc>; APPROVED <03 FEB 2003 by martinjw>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SARAWAK/JAPAN LNG PROJECT  
**TAGS:** ENRG, EWWT, BEXP, ETRD, MY, JA, MITSUBISHI, SHELL OIL CO  
**To:** n/a  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005